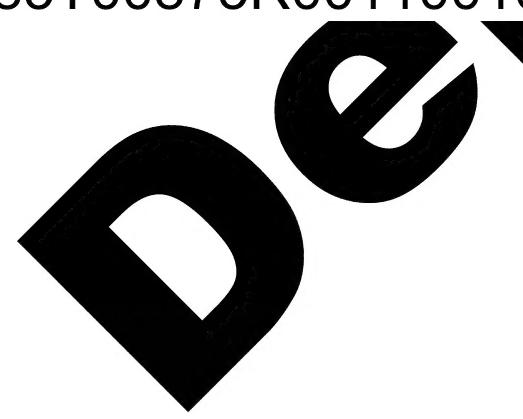
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No. 1727/71

CENTRAL INTELLIGENCE AGENCY Directorate of Intelligence 20 August 1971

INTELLIGENCE MEMORANDUM

BOLIVIA

(Situation Report as of 1600)

- The rightist military and civilian rebels trying to unseat Bolivian President Juan Jose Torres appear to have improved their position today. rebels now claim control of three important provincial cities and the active backing of four of the eight army divisions as well as several smaller garrisons. The rebels reportedly gained early control of Santa Cruz and Camiri when the military divisions located in the cities announced their support of the revolt led by former Colonel Banzer. Later, General Mendieta, commander of the 7th Division in Cochabamba-the second strongest in the country--announced he was joining the rebel forces and assuming the post of provincial prefect. He declared a state of siege, imposed a curfew, closed offair traffic, and closed all schools. According to latest reports the army and civilian militants are patrolling the streets and engaging in sporadic skirmishes with pro-Torres elements -- mostly students. A communiqué released from Cochabamba said that the 7th Division was joining the rebels "in order to tear out by the roots the proliferation of chaos and anarchy sown by agents and goons at the service of the international red menace."
- 2. President Torres retains firm control of the capital city of La Paz, however, as well as the

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important mining cities of Oruro and Potosi. The failure of the military and civilian plotters to move quickly in La Paz has given the Torres government time to organize the generally leftist student and labor sectors. A major pro-Torres demonstration was being organized for the afternoon and statements of "imperialist" and "CIA" involvement in the coup attempt has made US Government installations probable targets for the demonstrators.

- The loyalty of the key military units in the La Paz area is one of the major determining factors in the final outcome in this contest for power. The plotters had made intensive efforts to line up the units in La Paz, but so far reports indicate that they are remaining loyal to Torres, or at least The latest embassy sitrep states that neutral. there are rumors that the moccrized regiments stationed outside La Paz are beginning to move on the city, but there are conflicting reports as to which side they belong to. The large number of interior units that have apparently joined the rebels, including the important Cochabamba division and ranger unit, may influence many of the commanders to side with the rebels to maintain military unity and hopefully to be on the winning side. On the other hand, large numbers of workers and miners are solidly backing Torres, and there is evidence that they are being armed. The high possibility of bloodshed in the streets of La Paz if the military units move against the government will probably have a strong deterrent effect on units now re-evaluating their positions.
- 4. Thus, while the situation remains unclear, the two sides appear to be relatively evenly matched in terms of military strength at the present time, and a strong possibility of bloodshed exists should the rebels move on the capital. Rumors reaching the US Embassy indicate that the plotters, who have remained quiet in La Paz thus far, are now planning to make their move tonight. The eventual outcome remains in doubt.